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MINISTRY OF COMMERCE & INDUSTRY

NOTIFICATION

New Delhi, the 24th November 1960

S.O. 2852.—Whereas a request in writing has been received in this behalf from the governing body of the Bombay Bullion Association Limited, Bombay;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 12 of the Forward Contracts (Regulation) Act, 1952 (74 of 1952), the Central Government hereby makes the following amendments to the Bye-laws of the Bombay Bullion Association Limited, Bombay, namely:—

I. In the said Bye-laws:—

1. For the words "Government of Bombay", "Government of Maharashtra", "Government" or "Provincial Government", wherever they occur, the words "Forward Markets Commission" shall be substituted.

2. For the existing Bye-law 33-I, the following bye-law shall be substituted, namely:—

"33-I(a) The Board may, from time to time, by a resolution passed by itself and concurred in by the Forward Markets Commission, impose any system or systems of margins and determine the amount of margins and the manner of payment thereof for any forward business in gold and/or silver, for any settlement or settlements, including transactions entered into before such imposition.

(b) Notwithstanding anything contained in clause (a) the Board may, from time to time, by a resolution passed by itself and concurred in by the Forward Markets Commission, vary, alter or amend the system or systems of margins that may be in force, in pursuance of this bye-law.

(c) The powers specified in clauses (a) and (b) above may be exercised by the Forward Markets Commission in any case where, in the opinion of the Forward Markets Commission, it is expedient in the interest of the trade or the public interest so to do."

3. After Bye-law 37, the following bye-law shall be inserted, namely:—

"37A. The powers specified in Bye-law 35 may be exercised by the Forward Markets Commission in any case where, in the opinion of the Commission, it is expedient in the interest of the trade or in the public interest so to do."

4. For the existing Bye-law 66, the following bye-law shall be substituted, namely:—

- "66(a) The President, in his sole discretion, may at any time close the market for such period not exceeding two days at a time, for any reason he may deem proper.
- (b) In the absence of the President, the Vice-President of the Association, and in the absence of both the President and the Vice-President, such Director of the Board as is authorised by the Board for the purpose of this Bye-law may exercise the power under clause (a) above.
- (c) The Board may, in its sole discretion, close the market for such period not exceeding 5 days at a time for any reason it may deem proper, and with the permission of the Forward Markets Commission, for such period exceeding 5 days as the Board may consider necessary or desirable.
- (d) The Forward Markets Commission may, in any case where, in its opinion, an emergency exists and it advises the Board to take action under clause (c) and the Board does not take such action, or where, in its opinion, it is expedient in the interest of the trade so to do, direct the closure of the market for a period not exceeding five consecutive days and may, if the Commission is of opinion that it is necessary so to do, direct the extension of closure for such further period not exceeding five days at a time as the Commission may think fit, so however that the total period of closure shall not exceed fifteen days."

5. After Bye-law 71, the following bye-law shall be added, namely:—

- "71A(a) No member shall enter into any forward transactions in gold and/or silver for any settlement or settlements before such date as may be fixed in this behalf by the Board with the previous approval of the Forward Markets Commission.
- (b) The powers specified in clause (a) above may be exercised by the Forward Markets Commission in any case where, in the opinion of the Commission, it is expedient so to do."

6. For the existing Bye-law 72, the following bye-law shall be substituted, namely:—

- "72. Subject to the provisions of Bye-law 71A, forward transactions in gold bar can be effected for three settlements (i.e. the current month and the two succeeding months) and transactions for the new settlement can be effected on the day following the day on which statement for outstanding transactions for one settlement is sent to Clearing House and the settlement in respect thereof shall take place on the days of settlement fixed by the Board or by the sub-Committee appointed for that purpose under bye-law 32. The said settlement days shall be fixed on the following basis:—

A statement of outstanding transactions should be sent on	2nd Vad
The Clearing House shall give delivery orders on ..	4th Vad
Delivery shall be taken on	4th-5th Vad
If goods pertaining to a delivery order (chithhi) are not tendered or received the same shall be auctioned on	
	6th Vad
A statement of valan should be sent on	8th Vad
The Clearing House shall issue cheques on	10th Vad."

7. For the existing Bye-law 88, the following bye-law shall be substituted, namely:—

- "88. Subject to the provisions of Bye-law 71A, forward transactions in silver can be effected for three settlements (i.e. the current month and the two succeeding months) and transactions for the new settlement can be effected on the day following the day on which statements of outstanding transactions for one settlement are sent to the Clearing House. The settlement in respect thereof shall take place

on the days of settlement fixed by the Board or by the sub-Committee appointed for the purpose under the bye-laws. The said settlement days shall be fixed on the following basis:—

A statement of outstanding transactions should be sent on	Vad 3rd
The Clearing House will give delivery order on	.. Vad 5th
Delivery shall be taken on Vad 5th-6th
If the goods pertaining to a delivery order (chithhi) are not tendered or received, the same shall be auctioned on Vad 7th
Statement of valan should be sent on Vad 8th
The Clearing House shall issue cheques on Vad 10th".

8. In the Specimens of Contract appearing on pages 58 and 59-60 and in the specimen of letter to be written by a constituent on page 60, for the words "subject to the Articles of Association and the Rules and By-laws of the Bombay Bullion Association Ltd.", the following words shall be substituted, namely:—

"Subject to the Articles of Association and the Rules and Bye-laws of the Bombay Bullion Association Ltd., Bombay, as are in force from time to time."

II. In pursuance of the proviso to sub-section (4) of section 12 of the Forward Contracts (Regulation) Act, 1952 (74 of 1952), the Central Government, in the interest of the trade, dispenses with the condition of previous publication of the amendments aforesaid in the Gazette of India and the Official Gazette of the State of Maharashtra.

[No. 33(12)-TMP/FMC/60.]

K. V. VENKATACHALAM, Jt. Secy.

